

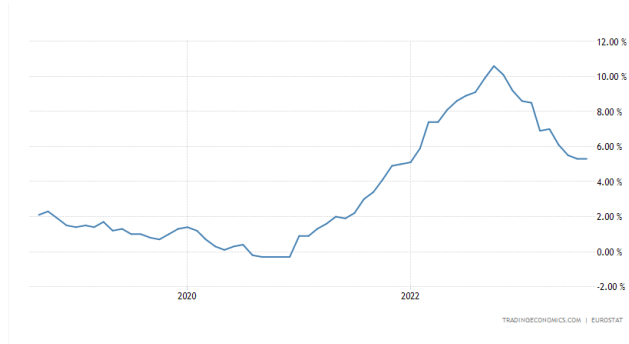


Why MMSR Matters

Presentation written for: bwf ICMA Conference Frankfurt

Date: 11 September 2023

EU Inflation & GDP Growth 2018-2023



2020 and beyond – a challenging economic environment

- ✓ Covid & Ukraine war smashed 2% inflation target
- ✓ Monetary policy for the whole Euro area (20 countries) is a tricky business!
- ✓ Fine balance between cooling overheating economies and not pushing others deep into recession
- ✓ External factors driving primary inflation makes this task even more challenging
- ✓ Stagflation risks are high.

The role of Money Market Statistical Reporting (MMSR)

- ✓ Better understanding and timely surveillance of Money Markets functioning and of bank funding by segment
- ✓ Provides better and timelier information on monetary policy transmission and the future trajectory of the main refinancing operations rate
- ✓ Offers more information to market participants on the function of the money markets
- ✓ **Publication of a post LIBOR benchmark interest rate (€STR).**



2024: A new phase for MMSR

- ✓ Pre-Brexit major third country banks had their EU branches in London
- ✓ Now every major bank has an EU branch in the Euro area
- ✓ These foreign banks now constitute a large chunk of the Euro area money market
- ✓ The ECB is taking notice and has requested 24 additional organisations to report in 2024
- ✓ Pilot basis from January 2024, full go-live in July.

MMSR Mandatory Controls & ECB Best Practices

- ✓ MMSR Reporting Instructions – Aug 2023 explicit requirements and recommendations
- ✓ Reporting by 07:00 CET on T+1, query responses by 07.45 (or 15:00 CET if queries after 08:00)
- ✓ Mandates internal testing and health checks on IT, trading and reporting systems
- ✓ Resource provision to ensure timely submission all hours
- ✓ Encourages **“Sufficient checking through a testing environment.”**

Common MMSR Reporting Errors

TRANSACTIONS

- ✘ Missing Segments
- ✘ Novation or Give Ups
- ✘ Settlement/Start date
- ✘ Quantitative Easing or Monetary Policy with Central Banks
- ✘ Open Transactions
- ✘ Initial Margin instead of Collateral Haircut
- ✘ Triparty and Pool Transactions
- ✘ Firm's Internal Reference Data

FIELDS

- ✘ Transaction Type (inc. FX & OIS)
- ✘ Transaction Nominal Amount
- ✘ Collateral Nominal Amount
- ✘ Reference Rate Index & Spread
- ✘ Collateral Type (CFI)
- ✘ Collateral Issuer Sector
- ✘ Unsecured Features – Call/Put
- ✘ Forward Exchange Points

Are MMSR Reports Valid but Wrong?

Get in touch



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Jonathan is a renowned expert in the Securities Financing Transactions Regulation (SFTR) and spearheads Kaizen's SFTR quality assurance services. A specialist in a number of regulatory regimes in the transaction reporting, trade reporting, liquidity reporting and prudential supervisory space, Jonathan has more than 20 years of investment banking experience including 11 years at JP Morgan. There, Jonathan's focus was on the emergence of new regulations covering securities financing, money market reporting and collateral reuse. He worked closely with the Financial Stability Board, ESMA, ECB and Bank of England and has been at the forefront of educational and advocacy efforts for the SFTR reporting regime. Jonathan is a former chair of the ICMA ERCC SFTR Taskforce and the AFME Primary Dealers Reporting group.



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Jean-Marie Mamodesen has over 20 years of experience within financial services and has spent most of his career within the regulatory reporting space. As a sales professional, he has a successful track record in managing global accounts and delivering strong revenue growth and sales turnover within the investment banking sector. Adept in all areas of sales management, operational process development and strategic planning, Jean-Marie has held various sales and account management roles and joins us from the Deutsche Borse Group where he was the Head of Sales for the Regulatory Reporting Hub.

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